

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 292 - HB 1240

March 14, 2021

SUMMARY OF BILL: Requires all licensing authorities to waive licensure fees and refund any fees already paid for the time period from July 1, 2021 through June 30, 2025 for certain healthcare professionals.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$22,823,600/FY21-22/Health Related Boards
\$22,823,600/FY22-23/Health Related Boards
\$22,823,600/FY23-24/Health Related Boards
\$22,823,600/FY24-25/Health Related Boards

Increase to state Expenditures - \$22,700,000/FY21-22/General Fund
\$22,700,000/FY22-23/General Fund
\$22,700,000/FY23-24/General Fund
\$22,700,000/FY24-25/General Fund

Pursuant to Tenn. Code Ann. § 4-29-121, all health-related boards are required to be self-supporting over a two-year period. The Boards had an annual surplus of \$2,524,075 in FY18-19, an annual surplus of \$1,107,948 in FY19-20, and a cumulative reserve balance of \$34,229,587 on June 30, 2020.

Assumptions:

- According to the Department of Health (DOH) licensing revenue fees collected as of June 30, 2020 were \$22,823,640 for all health care professionals licensed under the provisions of the proposed legislation.
- If licensure fees are collected based on the current collection of fees, then waiving the fees from June 1, 2021 through June 30, 2025 will result in a loss of revenue of \$22,823,640 each fiscal year for four years starting in FY21-22 through FY24-25.
- Pursuant to Tenn. Code Ann. § 4-29-121, all health-related boards are required to be self-supporting over a two-year period. The Boards had an annual surplus of \$2,524,075 in FY18-19, an annual surplus of \$1,107,948 in FY19-20, and a cumulative reserve balance of \$34,229,587 on June 30, 2020.
- Licensure fees are collected as revenue for each health-related board in order to support operations including salaries of the board staff, issuing new and renewed licenses as well

as investigating complaints, disciplining licensee who violate requirements, and ensuring certain requirements have been met, before issuing such licenses.

- In order to uphold the boards responsibilities an estimated \$22,700,000 in state expenditures would be needed for each of the fiscal years in the time period under the act.
- The increase to state expenditures for operation expenses is estimated to be \$22,700,000 in each fiscal year FY21-22 through FY24-25.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, slightly slanted style.

Bojan Savic, Interim Executive Director

/lm